

# HIP, HIP... FOR THE UK MARKET!



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Our Lifestyle's Financial Expert

At the start of 2024, the UK's FTSE 100 Index – which covers the top 100 stocks listed on the London Stock Exchange – turned 40. It is the most commonly cited UK equity market index by the media, often referred to as the 'Footsie' or the 'index of the leading 100 companies'.

The FTSE 100 superseded the FT30, a subjectively selected portfolio of 30 equally weighted companies, which had been in existence since 1935. It's said that 100 stocks were chosen as it was a nice round number and also because it was the maximum number of securities that could fit on the screens of market terminals at the time!

Brave and patient investors have been richly rewarded as the price index has delivered inflation beating returns over its period. This is in contrast to the declining purchasing power experienced by holders of cash since the onset of the Global Financial Crisis, highlighting the inherent risk of being a long-term cash investor.

Today there appears to be quite a bit

of negative sentiment surrounding the structure of the UK equity market, partly attributed to the recent surge in the value of US stocks. In part this reflects the sector differences between the UK and the US market. For example, the UK has around 23% in financials, 12% in energy and just over 1% in technology companies, whereas for the US these numbers are 13% in financials, 4% in energy and a substantial 29% in technology companies. The performance of the different sectors ebbs and flows though so it's sensible to have a globally diversified portfolio to ensure that you own a broad swathe of global capitalism.

**At Cre8 our systematic approach to investing means our portfolios are globally diversified and cost effective. We believe in the value of maintaining a diversified portfolio to mitigate risks and maximize returns. If you are interested in knowing more about how I work and you have investments of over £200,000 why not give Jo a ring on 01562 745730 to arrange a no obligation 30-minute free meeting in our office.**

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- Want to leave a legacy for your children and grandchildren?
- Want to know how much you need to be able to retire securely, maintaining a good standard of living?



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